

CTC July 2006 Meeting

California Department of Transportation 2006-07 Enacted Budget for Transportation

Proposition 42 Transfer

- 2006-07 Proposition 42 transfer is fully funded at \$1.419 billion:
 - o Traffic Congestion Relief Fund (TCRF) \$678 million
 - o Transportation Investment Fund (TIF) \$593 million
 - o Public Transportation Account (PTA) \$148 million
- Note: TIF receives the Local Streets and Roads' 40 percent share of the balance of Proposition 42 funds after the TCRF in 2006-07 and 2007-08 as a loan repayment to the State Highway Account (SHA), per Revenue and Taxation Code Section 7104(c)(3)(1).

Proposition 42 Loan Repayments

- Proposition 42 loan repayment of \$1.415 billion, which includes the first \$200 million from 2006-07 spillover revenue that was originally to be diverted to the General Fund.
- Estimated distribution of the \$1.415 billion (including interest):
 - o Transportation Deferred Investment Fund (TDIF) \$446 million
 - o Local Streets and Roads \$446 million
 - o PTA \$208 million
 - o TCRF \$315 million

Balance of Prop 42 Debt (\$millions)

| Fund | Est. Principal & Interest | 2006-07 Repayment | Remaining Balance |
|--------------|--|------------------------------|------------------------------|
| TCRF | \$1,067 | \$315 | \$752 |
| TDIF | 446 | 446 | 0 |
| PTA | 223 | 208 | 15 |
| LS&R | 446 | 446 | 0 |
| TOTAL | \$2,182 | \$1,415 | \$767 |

Note: If Prop 1A (SCA 7) is approved by voters in November, the remaining balance of Prop 42 debt (\$767M) would be repaid in annual installments of \$85M over the next 9 years.

Spillover

- 2006-07 spillover distributions of \$668 million are, as follows:
 - o Diverted for repayment of suspended Proposition 42 \$200 million
 - o Transfer for Toll Bridge Seismic Retrofit Program \$125 million
 - o Agricultural Industries Transportation Services \$20 million
 - o High Speed Rail \$13 million
 - o 80 percent of balance to State Transit Assistance \$248 million
 - o 20 percent of balance to PTA \$62 million
- This distribution only applies to spillover in 2006-07.

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Tribal Gaming Loan Repayment (\$ millions)

| Fund | Est. Principal & Interest | Advance Payment | Current Balance | 2006-07 Repayment | Remaining Balance |
|--------------|--|----------------------------|----------------------------|------------------------------|------------------------------|
| TCRF | \$482 | \$0 | \$482 | \$290 | \$192 |
| PTA | 275 | 0 | 275 | 237 | 38 |
| SHA | 473 | 151 | 322 | 322 | 0 |
| TOTAL | \$1,230 | \$151 | \$1,079 | \$849 | \$230 |

* The Administration authorized the use the annual tribal gaming revenues for 2005-06 to advance \$151 million to the SHA in current year as a partial repayment of the \$473 million loan to the TCRF.

- Previous law required the TCRF to repay the SHA by June 30, 2007 (and the PTA by June 30, 2008). The budget trailer bill removed the repayment due date from the statute, and made bond proceeds the primary source for repayment, followed by tribal revenues, and then by the General Fund.
- Provisional language in the Budget specifies that if the tribal gaming bonds are not issued by June 15, 2007, the first \$60 million from the annual tribal gaming revenues for 2006-07 will be deposited into the PTA.

Capital Outlay Support

- Reduction of 411 positions to adjust workload levels needed for project delivery.
- Transfer of \$185 million from the TIF to the SHA to be used for Capital Outlay Support (COS) expenditures on STIP projects.
- Maintenance received a transfer of \$105.3 million in State Highway Operation and Protection Program projects from capital outlay and \$8.1 million in stormwater resources from COS.